IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

WRS, INC., d/b/a WRS MOTION PICTURE LABORATORIES, a corporation,

Plaintiff,

vs.

PLAZA ENTERTAINMENT, INC., a corporation, ERIC PARKINSON, an individual, CHARLES von BERNUTH, an individual and JOHN HERKLOTZ, an individual,

Defendants.

CIVIL ACTION

No. 00-2041

AFFIDAVIT

COMMONWEALTH OF PENNSYLVANIA)
) ss:
COUNTY OF ALLEGHENY)

Before me, the undersigned authority, notary public, and before the aforesaid county and state, personally appeared Jack Napor, who being duly sworn according to law deposes and says:

1. That he is over the age of 18 years and competent to take an Affidavit.

2. That he is the president of WRS, Inc. d/b/a WRS Motion Picture and Video Laboratories (hereinafter "WRS"), Plaintiff in the above captioned case.

3. That in his capacity as president he has personal knowledge of the manner that records were and are kept in the ordinary and usual course of business of WRS; and,

4. That has examined the records kept by WRS with respect to the account of Plaza Entertainment, Inc. and from that examination and from his familiarity with the records gained in his capacity as president he has personal knowledge that the matters

contained in those records were placed in the records at or near the time that the recorded event occurred; and,

5. That he has examined the records of WRS specifically with respect to the amount owed to WRS by Plaza Entertainment, Inc., and guaranteed by John C. Herklotz, Eric Parkinson and Charles von Bernuth, and concluded from his examination of the records and from his personal knowledge of the transactions between WRS and Plaza Entertainment, Inc. that the records kept by WRS account for all sales made by WRS to Plaza and for the payments that WRS received either from Plaza Entertainment, Inc. or from payments made to WRS by customers of Plaza Entertainment, Inc.

6. That he has attached to this Affidavit as Exhibit " 1" a copy of the "Transaction by Customer Inquiry Report, Receivables Management" for Plaza Entertainment, Inc. dated September 13, 2005 that was printed from the WRS, Inc computer on that date and shows the transactions on the account through August 3, 2001 and established the amount then due an owing as the sum of $1, 324, 841.61.

7. That he has examined the information supplied to WRS by National Bank of Canada, for the period when National Bank of Canada was collecting WRS receivables, as its collateral for an obligation owed by WRS prior to and during the WRS Chapter 11, and confirmed that there is no record of the National Bank of Canada receiving any payment from a Plaza Entertainment, Inc. or its customers that is not accounted for in the records of WRS.

8. That based upon his examination of these records, he states from his personal knowledge that no payments were received on the Plaza Entertainment account

after August 3, 2001 and that as of August 3, 2001 the amount owed to WRS by Plaza Entertainment, Inc. was the sum of $1,324,841.61.

9. That he has attached to this Affidavit as Exhibit "4" a copy of the Aged Trial Balance with Options, Receivables Management Report, dated February 19, 2001 that shows the balance of the account of Plaza Entertainment, Inc. as of December 31, 2000 in the sum of $1, 270,683.34, which amount has been verified by Schneider Downes, Inc.

10. That he has reviewed the report identified as Exhibit "1" and compared it with Exhibit " 2" and determined that from December 31, 2001 and August 3, 2001, the sum of $61,317.76 was added to the account consisting of $5,688.65 in sales and $55,629.11 in finance charges for a total increase of $61,317.76.

11. That he has reviewed the reports identified as Exhibit "1"and Exhibit "2" and has determined that during the period from December 31, 2000 and September 1, 2001, WRS received and applied to the account, payments and credits of $7,159.49 resulting in a net increase from December 31, 2000 in the sum of $54,158.27 which in addition increased the amount owed by Plaza Entertainment, Inc. from the sum of $1,270,683.34 as of December 31, 2000 and verified by Schneider Downes, Inc. to the sum of $1,324,841.61 as of August 3, 2001 the sum as reflected on Exhibit "2".

12. That, each invoice sent by WRS to Plaza Entertainment, Inc. contained the following legend as shown on the example invoice of August 1, 2001 and attached to this Affidavit as Exhibit "3":

TERMS

Payment is due 30 days from date of invoice. Past due invoices are subject to a 1 ½% per month interest charge, which is an annual percentage rate of 18%.

13. That to calculate the interest that has accrued on the account from August 1, 2001 until October13, 2006, he determined that as of December 31, 2000 included finance charges in the total sum of $228,288.50 to which the sum of $80.00 was deducted for a net finance charge due in the sum of $228,205.50 and deducted the finance charges from the total owed and verified by Schneider Downes, Inc in the sum of $1,270,683.34 and obtained a remainder of $ 1,042,477.84. He then multiplied that amount by the rate of 1.5% per month and obtained a monthly accrual of $15,637.17. He then determined that from August of 2001 to October 13, 2006, 63.42 months intervened. He then multiplied the monthly accrual of $15,637.17 by 63.42 resulting in accrued interest of $991,709.17 as of October 13, 2006.

14. That under the Terms & Conditions governing the Plaza Entertainment, Inc. Account, (Exhibit "4"attached hereto), Plaza Entertainment, Inc agreed to pay a storage charge for film elements left with WRS. WRS charged Plaza Entertainment, Inc storage charges of $10.00 per month for each pallet of materials stored. As of August 1, 2001, Plaza Entertainment, Inc. stored 65 pallets of materials at WRS for a monthly storage charge of $650.00 as reflected on the invoice dated August 1, 2001 and attached as Exhibit "6". WRS lost control of its facility on May 31, 2006 and he has calculated the storage charges and interest thereon as follows: 59 months times $650 for total of $38,350.00, plus interest of 1.5% as provided on Exhibit "3", in the sum of $12,080.25 as of May 31, 2006.

15. That pursuant to the Services Agreement between WRS and Plaza Entertainment, Inc., attached as Exhibit "5", WRS rendered service for a period of 16 months from November of 1998 through December of 2000 as verified by the report of Schneider Downes, Inc. for a period of 25 months and was entitled to receive a minimum payment of $5,000.00 per month for a total of $125,000.00.

16. That based upon his personal knowledge and personal knowledge obtained by his examination of the business records of WRS as explained in this Affidavit, that the following amount is owed to WRS by Plaza Entertainment, Inc. and guaranteed by John C. Herklotz, Eric Parkinson and Charles von Bernuth as follows:

Amount due as of December 31, 2000 Shown on Exhibit "2"and verified by Schneider Downes, Inc.			1,270,683.34
Amount of additions from 12/31/2000 to August 3, 2001		$61317.76	
Less payments received from 12/31/2000 as shown Exhibit "1" ($6262.00)			
Other Credits	(897.49)		
	($7159.49)	($7159.49)	
Net additions from 12/31/2000 receivable		$54,158.27	$54,158.27
Total as if August 3, 2001			$1,324,841.61
Total as December 31, 2001	$1,270,683.34		
Net Finance charges included	$228,205.50		
Net amount exclusive of Finance Charges	$1,042,477.84		
1.5% per month on unpaid invoice portion	x 1 1/5%		
July 2001Account Receivable	$15,637.17		
2001to October 13, 2006	x63.42		
Accrued finance charges			
	$991,709.17		$991709.17
Total owed on account as of October 13, 2006			$2,316,550.78
Total Storage Charges			$38,350.00

Total interest on Storage Charges	$12,080.25
Total due on Services Agreement	$125,000.00
Grand Total exclusive of fees an costs	$2,491,981.03

17. That Commencing in the year 2000, WRS retained Thomas E. Reilly PC to pursue the debt of Plaza Entertainment, Inc. under an arrangement pursuant to which Thomas E. Reilly, P.C. would charge the hourly rate of $175.00 for Thomas E. Reilly and certain lesser amounts for other attorneys. Following its Chapter 11 filing, and with authorization of the Bankruptcy Court, WRS again retained Thomas E. Reilly, P.C. with charges to be calculated at the hourly rate of $200.00 for time spent with payment of the fees and a 10% premium to be made upon recovery of money from the Defendants and is advised based upon a separate Affidavit filed by Thomas E. Reilly that the total attorneys fees accrued, exclusive of costs is the sum of $89,827.54.

18. That the total owed with the addition of the attorneys fees is the sum of $2,581,808.57, plus the daily accrual on $1,042,477.84 at 1.5% per month of $521.24 for a monthly of $15,637.17 from October 16, 2006, and additional attorneys fees for any collection and enforcement required.

Jack Napor

Jack Napor

Sworn to and subscribed before me this 13th day of October, 2006.

Jamie N. Miller

Notary Public

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Jamie N. Miller, Notary Public
Scott Twp., Allegheny County
My Commission Expires Jan. 29, 2008
Member, Pennsylvania Association of Notaries